W.R. GRACE'S REMEDIAL FINANCIAL ASSURANCE PROPOSAL

Estimated worth of up to \$300 million

Pre-2042 KDID Operation and Maintenance Surety Bond:

Initial bond in the amount of \$3.5 mil and renew each year until 2042 to cover estimated costs of \$4.3 mil (initially to run from 2023-2042). Graduated payout schedule is attached to the Settlement Agreement.

Payment to State triggered if Grace ceases to exist as a going concern or fails to perform KDID O&M as determined by DNRC Director.

As of December 31, 2042, all funds present in the O&M account shall be transferred to the KDID O&M Performance Trust.

Post-2042 KDID Operation and Maintenance Performance Trust:

- *Ten annual installments totaling \$1.66 mil for an anticipated amount of \$53 mil in benefits.
- *Available beginning January 1, 2043, and to last 80 years

Annual installments to be distributed to Grace to performance O&M or whomever is performing O&M.

KDID Spillway Replacement Trust:

- *Funded by 10 installments totaling \$1.06 mil- anticipated to grow to \$230 mill by 2124.
- *Grace to perform work unless unable or unwilling to perform
- *Funds available in 2072 if needed
- *any funds remaining in 2132 will be distributed according to written agreement or to Grace purely for use in maintaining the spillway.

Some limitations in Settlement Agreement to access of funds. Any funds remaining in 2122 shall be used or distributed according to agreement or 50/50 between State and Grace.